Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (currently amended) A compound of formula (1):

$$(R^3)_m + N O O N R^2$$

wherein[[:]]

R¹ is independently selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylC₁₋₃alkyl, C₁₋₆alkoxy, C₅₋₇cycloalkoxy, C₅₋₇cycloalkylC₁₋₃alkoxy, heterocyclyl, heterocyclylC₁₋₃alkyl, heterocyclyloxy or heterocyclylC₁₋₃alkoxy (wherein each of these groups is substituted on carbon by with 1, 2, or 3 hydroxy groups, provided that there is no more than one hydroxy group on the same carbon atom and a ring carbon atom adjacent to a ring heteroatom is not substituted by a hydroxy group), and groups of the formula A or A'[[:]]

wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that in (A) the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen;

 R^2 is phenyl or heteroaryl (each of which is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, difluoromethyl, fluoromethyl, C_{1-3} alkoxy, C_{1-3} alkanoyl, carbamoyl, $N-C_{1-3}$ alkylcarbamoyl, $N-C_{1-3}$ alkylcarbamoyl,

sulfamoyl, $N-C_{1-3}$ alkylsulfamoyl, $N,N-di-C_{1-3}$ alkylsulfamoyl, and groups of the formulae B and B'[[:]]

wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen);

m is 0, 1, or 2; and

R³ is independently selected from hydrogen, halo, nitro, cyano, hydroxy, carboxy, carbamoyl, C₁₋₄alkyl, C₂₋₄alkenyl, C₂₋₄alkynyl, C₁₋₄alkoxy, C₁₋₄alkanoyl, fluoromethyl, difluoromethyl, trifluoromethyl, and trifluoromethoxy.

provided that when R¹ is of the formula A or A', then R² does not contain a group of the formula B or B', and when R² is of the formula B or B', then R¹ does not contain a group of the formula A or A';

or a pharmaceutically acceptable salt or prodrug thereof.

2. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R¹ is selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylmethyl, C₁₋₆alkoxy, C₅₋₇cycloalkylC₁₋₃methoxy, heterocyclyl, heterocyclylmethyl, heterocyclyloxy and heterocyclylmethoxy (wherein each of these groups is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom), or R¹ is of the formula A or A';

R² is a phenyl or heteroaryl group (each of which is optionally substituted by-with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, N,N-di-C₁₋₃alkylcarbamoyl, sulfamoyl, N-C₁₋₃alkylsulfamoyl, N,N-di-C₁₋₃alkylsulfamoyl, a group of the formula B, and a group of the formula B'); or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

3. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R¹ is selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylmethyl, C₁₋₆alkoxy, C₅₋₇cycloalkoxy, and C₅₋₇cycloalkylC₁₋₃methoxy, [[(]]wherein each group is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom[[]]; R² is a phenyl or heteroaryl group (each of which is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, N,N-di-C₁₋₃alkylcarbamoyl, sulfamoyl, N-C₁₋₃alkylsulfamoyl, and N,N-di-C₁₋₃alkylsulfamoyl); or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

4. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R1 is selected from ethyl, propyl, cyclopentyl, cyclopentyl, cyclopentylmethyl, and cyclohexylmethyl, [[(]]wherein each group is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom[[)]]; R² is selected from phenyl, pyridyl, oxadiazolyl, oxazolyl, thiazolyl, and thienyl, [[(]]each of which group is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, sulfamoyl, and N-C₁. 3alkylsulfamoyl[[)]]; m is 1: and R³ is chloro:

or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

5. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R¹ is selected from 2-hydroxyethyl, 2,3-dihydroxypropyl, 3,4-dihydroxycyclopentyl, and 3,4dihydroxycyclopentylmethyl:

R² is phenyl optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C1-3alkylcarbamoyl, sulfamoyl, and N-C_{1.3}alkylsulfamoyl;

m is 1 or 2; and

R³ is hydrogen or halo:

or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

6. (currently amended) A process for preparing a compound of formula (1), as defined in claim 1 or a pharmaceutically[[-]] acceptable salt or an in_vivo hydrolysable ester thereof, which process comprises:

a) reacting an acid of the formula (2)[[:]]

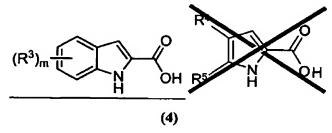
$$(R^3)_m \stackrel{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{I}}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}}{\overset{\text{II}}}{\overset{\text{II}}}}{\overset{\text{II}}}}{\overset$$

or an activated derivative thereof; with an amine of formula (3)[[:]]

HNR¹R²

(3); or

b) reacting an acid of the formula (4)[[:]]



or an activated derivative thereof; with an amine of formula (5)[[:]]

H₂NCH₂CONR¹R² [[:]]

(5)

wherein R¹, R², R⁴, and R⁵ are, unless otherwise specified, as defined in claim 1; wherein any functional groups are optionally protected; and thereafter if necessary[[:]]

- i) converting a compound of the formula (1) into another compound of the formula (1);
- ii) removing any protecting groups; or
- iii) forming a pharmaceutically acceptable salt or in-vivo hydrolysable ester.

7. (currently amended) A pharmaceutical composition comprising a compound of the formula (1) as claimed in any one of claims 1, to 5 or a pharmaceutically[[-]] acceptable salt or in_vivo hydrolysable ester thereof and a pharmaceutically[[-]] acceptable diluent or carrier.

8-11. (canceled)

- 12. (currently amended) A method of treating type 2 diabetes, insulin resistance, syndrome X, hyperinsulinaemia, hyperglucagonaemia, cardiac ischaemia, or obesity in a warm-blooded animal, such as man, in need of such treatment, which comprises comprising administering to said animal an effective amount of a compound of formula (1) as claimed in any one of claims 1-to-5.
- 13. (currently amended) A method of treating type 2 diabetes in a warm-blooded animal, such as man, in need of such treatment, which comprises comprising administering to said animal an effective amount of a compound of formula (1) as claimed in any one of claims 1 to 5.